



Patrick W. Henning, Director

November 3, 2009
22M:388:TLA:1025



Arnold Schwarzenegger
Governor

Mr. Adam Peck, Administrator
Tulare County Workforce Investment Board, Inc.
4025 West Noble Avenue, Suite A
Visalia, CA 93277

Dear Mr. Peck:

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
SUMMER YOUTH PROGRAM
FINAL MONITORING REPORT
PROGRAM YEAR 2009

This is to inform you of the results of our review for Program Year (PY) 2009 monitoring review of the Tulare County Workforce Investment Board's (TCWIB) ARRA Summer Youth Program (SYP). This review was conducted by Mr. TG Akins and Mrs. Rebeca Guerra from August 3, 2009 through August 6, 2009. Our review consisted of interviews with your staff and a review of the following items: expenditures charged to the ARRA SYP, oversight of your subrecipients, and procurement transactions. In addition, we interviewed service provider staff, SYP participants, and worksite supervisors, and focused on the following areas of your ARRA SYP: eligibility determination, program operations, participant worksites, participant payroll processing, and oversight.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by TCWIB with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with representatives of TCWIB, service provider staff, ARRA SYP worksite supervisors, and ARRA SYP participants. In addition, this report includes the results of our review of sampled case files, TCWIB's response to Section I and II of the ARRA SYP Onsite Monitoring Guide, and a review of applicable policies and procedures for PY 2009.

We received your response to our draft report September 23, 2009, and reviewed your comments and documentation before finalizing this report. Because your response

adequately addressed the finding cited in the draft report, no further action is required and we consider the issue resolved.

BACKGROUND

The TCWIB allocated all \$3,957,662 of their ARRA Youth allocation to serve 1,636 SYP participants. As of the week of August 3, 2009 TCWIB expended \$1,893,690 to serve 1,617 SYP participants.

ARRA SYP REVIEW RESULTS

While we concluded that, overall, TCWIB is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of participant job activity. The finding that we identified in this area, our recommendation and TCWIB's proposed resolution of the finding is specified below.

FINDING 1

Requirement: Section 1604 of Division A of the American Recovery and Reinvestment Act states, in part, that none of the funds appropriated or otherwise made available in this Act may be used by any state or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

29 CFR 97.22(a)(1) states, in part, that grant funds may be used only for the allowable costs of the subgrantees.

Observation: During our worksite visit at the McDermot Field House, we found that participants who were camp counselors spent a portion of their time supervising children at the City of Lindsay Pool. The camp counselors participated in the activities with the children in the pool. Although their responsibility was to ensure that the children stayed in the shallow end of the pool ARRA prohibits any use of funds to support activities at swimming pools. The worksite supervisor stated participants spent some of their time at the pool, but was not able to identify an exact amount because the amount of time at the pool varied for each participant. The participant we interviewed stated she was at the pool every other day when she worked.

Recommendation: We recommended that TCWIB identify the number of hours each participant was paid for time spent and determine the amount of ARRA money spent on unallowable activities that would need to

be returned to the program. We also recommended that TCWIB provide CRO with documentation that the identified amount is returned to the program and that these wages have been reallocated to a non-federal funding source.

TCWIB Response: The TCWIB provided documentation from Proteus that identified \$742.14 of total ARRA money spent on unallowable activities. The TCWIB provided a copy of the check from Proteus for the amount of \$742.14, the time reports and activity schedule for 13 participants that support the amount of time connected with the disallowed activity, and the account records from Proteus showing the charges were taken from their Unrestricted Fund Account and credited to the ARRA account.

State Conclusion: The TCWIB provided sufficient documentation to resolve this issue. Therefore, we consider this finding closed.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is TCWIB's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, federal and state regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain TCWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Greg Gibson, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Lydia Rios, MIC 50